

Type of Federal financial assistance	Authority
Small Business Development Centers.	Small Business Act, section 21.
International Trade Program.	Small Business Act, section 22.
Technical and Management Assistance.	Small Business Act, section 7(j).

¹ None of the programs administered have any age distinctions except as statutorily required.

PART 119—PROGRAM FOR INVESTMENT IN MICROENTREPRENEURS (“PRIME” OR “THE ACT”)

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§ 119.1 What is the Program for Investment in Microentrepreneurs (“PRIME” or “the Act”)?

PRIME authorizes SBA to make grants to “qualified organizations” to fund training and technical assistance for disadvantaged entrepreneurs, build these organizations’ own capacity to give training and technical assistance, fund research and development of “best practices” in microenterprise development and technical assistance programs for disadvantaged microentrepreneurs, and to fund other undertakings the Administrator or designee deems consistent with these purposes.

§ 119.2 Definitions.

For the purposes of this part, the following definitions apply:

Capacity Building Grant means a grant made under the Act identified under § 119.4(b).

Capacity building services means services provided to an organization or program that is currently, or is developing as, a microenterprise development organization or program, for the purpose of enhancing its ability to provide training and technical assistance to disadvantaged microentrepreneurs.

Collaborative means two or more non-profit entities that agree to act jointly as a qualified organization under this part.

Developer means a person interested in starting or acquiring a microenterprise.

Disadvantaged entrepreneur, or *disadvantaged microentrepreneur*, means the owner, majority owner, or developer, of a microenterprise who is also—

- (1) A low-income person;
- (2) A very low-income person; or
- (3) An entrepreneur who lacks adequate access to capital or other resources essential for business success, or is economically disadvantaged, as defined in this part.

Discretionary Grant means a grant made under the Act identified under § 119.4(d).

Economically disadvantaged entrepreneur, or *economically disadvantaged*

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microentrepreneur, means an owner, majority owner, or developer of a microenterprise whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the industry such that his or her ownership of a small business would help to qualify the small business for assistance under section 7(j) or section 8(a) programs of the Small Business Act.

Grantee means a recipient of a grant under the Act.

Group has the same meaning as “collaborative” as defined in this section.

Indian tribe means any Indian tribe, band, pueblo, nation, or other organized group or community, including any Alaska Native village or regional or village corporation, as defined in or established pursuant to the Alaska Native Claims Settlement Act, which is recognized as eligible for the special programs and services the United States provides to Indians because of their status as Indians.

Indian tribe jurisdiction means Indian country, as defined in 18 U.S.C. 1151, and any other lands, title to which is either held by the United States in trust for the benefit of any Indian tribe or individual or held by any tribe or individual subject to a restriction by the United States against alienation, and any land held by Alaska Native groups, regional corporations, and village corporations, as defined in or established under the Alaska Native Claims Settlement Act, public domain Indian allotments, and former Indian reservations in the State of Oklahoma.

Intermediary means a private, nonprofit entity serving or seeking to serve microenterprise development organizations or programs identified under § 119.3.

Large microenterprise development organization or program means a microenterprise development organization or program with 10 or more full time employees or equivalents, including its executive director, as of the date it files its application with SBA for a PRIME grant.

Local community means an identifiable area and population constituting a political subdivision of a state.

Low-income person means a person having an income, adjusted for family size, of not more than—

(1) For metropolitan areas, 80 percent of the median income; and

(2) For non-metropolitan areas, the greater of—

(i) 80 percent of the area median income; or

(ii) 80 percent of the statewide non-metropolitan area median income.

Microenterprise means a sole proprietorship, partnership or corporation that—

(1) Has fewer than 5 employees, including the owner; and

(2) Generally lacks access to conventional loans, equity, or other banking services.

Microenterprise development organization or program means a nonprofit entity, or a program administered by such an entity, including community development corporations or other nonprofit development organizations and social service organizations, that provides services to disadvantaged microentrepreneurs.

Qualified organization means an organization eligible for a PRIME grant identified under § 119.3.

Research and Development Grant means a grant made under the Act identified under § 119.4(c).

Severe constraints on available sources of matching funds means the documented inability of a qualified organization applying for a PRIME grant to raise matching funds or in-kind resources from non-Federal sources during the 2 years immediately prior to the date of its application because of a lack of or increased scarcity of monetary or in-kind resources from potential non-Federal sources.

Small microenterprise development organization or program means a microenterprise development organization or program with less than 10 full time employees or equivalents, including its executive director, as of the date it files its application with SBA for a PRIME grant.

Technical Assistance Grant means a grant made under the Act identified under § 119.4(a).

Training and technical assistance means services and support provided to disadvantaged entrepreneurs, such as,

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but not limited to, assistance intended to enhance business planning, marketing, management, financial management skills, business operations, or assistance for the purpose of increasing access to loans and other financial services.

Very low-income person means having an income adjusted for family size of not more than 150 percent of the poverty line, as defined in section 673(2) of the Community Services Block Grant Act, 42 U.S.C. 9902(2), including any revision required by that section.

§ 119.3 What types of organizations are eligible for PRIME grants?

An organization eligible for a PRIME grant (“qualified organization”) is one that is:

(a) A microenterprise development organization or program as defined in § 119.2(q) (or a group or collaborative thereof) that has a demonstrated record of delivering microenterprise services to disadvantaged microentrepreneurs;

(b) An intermediary, as defined in § 119.2(l);

(c) A microenterprise development organization or program as defined in § 119.2(q) that is accountable to a local community, working with a State or local government or Indian tribe; or

(d) An Indian tribe acting on its own, if the Indian tribe can certify that no private organization or program referred to in paragraphs (a), (b) and (c) of this section exists within its jurisdiction.

§ 119.4 What services or activities must PRIME grant funds be used for?

A recipient of a PRIME grant (“grantee”) must use PRIME grants to—

(a) Provide training and technical assistance to disadvantaged microentrepreneurs (“Technical Assistance Grant”);

(b) Provide training and capacity building services to microenterprise development organizations and programs to assist them to develop microenterprise training and services (“Capacity Building Grant”);

(c) Aid in researching and developing the best practices in the field of microenterprise development and technical

assistance programs for disadvantaged microentrepreneurs (“Research and Development Grant”); or

(d) Conduct such other activities as the Administrator or designee determines to be consistent with the purposes of the Act (“Discretionary Grant”).

§ 119.5 How are PRIME grant awards allocated?

(a) At least 50 percent of the number of grant awards made under this part will be awarded to qualified organizations that benefit very low-income persons, including those residing on Indian reservations. In general, SBA will make grant award decisions to serve diverse populations by including as recipients both large and small microenterprise development organizations, and organizations serving urban, rural, and Indian tribal communities.

(b) SBA will allocate the funding available for awards as follows:

(1) A minimum of 75 percent for Technical Assistance Grants;

(2) A minimum of 15 percent for Capacity Building Grants; and

(3) The remaining 10 percent or less may be allocated by SBA, in its sole discretion to be used for:

(i) Research and Development Grants; or

(ii) Discretionary Grants.

§ 119.6 What are the minimum and maximum amounts for an award?

(a) The minimum grant award for Technical Assistance and Capacity Building Grants will be \$50,000 during the first year of the award, subject to the availability of funds.

(b) There is no minimum grant award for Research and Development or Discretionary Grants.

(c) The maximum amount that an individual grant recipient may receive in any fiscal year from a single award or multiple awards, under any of the purposes of the program, may not exceed \$250,000 or 10 percent of the total grant funds available for award in that fiscal year, whichever is less.